

Senate Bill No. 1365

CHAPTER 501

An act to add Section 1323.1 to the Health and Safety Code, relating to health facilities.

[Approved by Governor September 23, 2016. Filed with
Secretary of State September 23, 2016.]

LEGISLATIVE COUNSEL'S DIGEST

SB 1365, Hernandez. Hospitals.

Under existing law, health facilities, including general acute care hospitals, are licensed and regulated by the State Department of Public Health. Existing law prohibits a health facility from charging, billing, or otherwise soliciting payment from a patient on behalf of, or referring a patient to, another health facility in which the health facility has a significant beneficial interest, except as provided. A violation of these provisions is a crime.

This bill would require a general acute care hospital, except as specified, to provide a delineated notice to each patient scheduled for a service in a hospital-based outpatient clinic, as defined, when that service is available in a nonhospital-based location. By expanding the application of an existing crime, the bill would create a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

The people of the State of California do enact as follows:

SECTION 1. Section 1323.1 is added to the Health and Safety Code, immediately following Section 1323, to read:

1323.1. (a) A general acute care hospital shall notify each patient scheduled for a service in a hospital-based outpatient clinic when that service is available in another location that is not hospital-based. The notification shall be in substantially the following form:

The location where you are being scheduled to receive services is a hospital-based clinic, and, therefore, may have higher costs. The same service may be available at another location within our health system that is not hospital-based, which may cost less. Check with the [insert name of office] at [insert telephone number] for another location within our health system, or check with your health insurance company, for more information about other locations that may cost less.

(b) For purposes of this section, a “hospital-based outpatient clinic” means a department of a provider, as defined in Section 413.65(a)(2) of Title 42 of the Code of Federal Regulations, that is not located on the campus of that provider.

(c) This section shall not apply to a general acute care hospital operated by a nonprofit corporation under common control with a nonprofit health care service plan licensed pursuant to the Knox-Keene Health Care Service Plan Act of 1975 (Chapter 2.2 (commencing with Section 1340) of Division 2) that exclusively contracts with no more than two medical groups in the state to provide and arrange for medical services for the enrollees of the health care service plan, so long as the cost-sharing design does not vary based on whether the care is provided in a hospital-based clinic or a medical office building.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.